Utah Insurance Department
Content Standards
Group Credit Life and Credit Accident and Health Insurance

NOTE: These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all-inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). The comments are a brief synopsis of the referenced material and do not contain all requirements or exceptions. All references should be reviewed for compliance. As required by U.C.A.§ 31A-21-201(2), *the insurer is responsible* for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
FORM FILING REQUIREMENTS		
Filing and Use of Forms	31A-21-201, 31A-22-807, R590-86, R590-91-4 & Bulletin 99-7	"FILED" means that a filing is submitted in accordance with applicable statute, rule, or filing order; received by the department within the time provided in the applicable statute, rule or filing order; and accompanied with the applicable filing fee. Forms must be filed prior to use.
Filing of Rates	31A-22-807, R590-91-5, 6, 7, 10, Bulletin 99-7	Credit life insurance and accident and health insurance rates are subject to loss ratio standards. Review all applicable citations.
Policy, Certificate, and Application	31A-21-101	Policies, applications, and certificates (a) delivered or issued for delivery in this state; (b) on property ordinarily located in this state; (c) on persons residing in this state when the policy is issued; and (d) on business operations in this state are subject to Utah code and rules.
Policy and Filing Documents	R590-86 & Bulletin 99-7	The master contract, certificate, application and actuarial memorandum and all other filing documents must be accurately completed with rate and coverage information consistent with the actuarial memorandum and rate schedule.
GENERAL FORM REQUIREMENTS		
COVER PAGE		
Insurance Company Name	31A-21-201(3)(a)(iii) & 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy and application.
Coverage Name, Description, and Special Features	31A-21-201(3)(a)	The coverage name or title, a brief description of the coverage and special features must be disclosed on the policy and certificate; i.e. credit life, full term gross coverage, net decreasing, single life, joint life, open end, closed end, etc.
Expiry Date	31A-21-301(1)(f)	Expiration date must be clearly disclosed.

Form Identification Number	31A-21-201(3) & R590-86	A distinct form identification number must appear at the bottom of the form. A revised form must contain a revision date or other distinct identifier.
SPECIFICATIONS PAGE		
Disclosure to Debtor	R590-91-12	The eligibility requirements, age restrictions, insufficient or truncated coverage, and any exclusions must be clearly and prominently disclosed in the policy and certificate. Disclosure is required if insurance is insufficient to pay off scheduled outstanding loan at any time.
Effective/Beginning Date	31A-22-805	Beginning date of insurance must be disclosed and in compliance with requirements.
Coverage is Optional Disclosure	31A-22-809 & R590-91-12	Coverage is optional. Debtor has the right to choose other insurance. Disclosure must comply with 31A-22-809 and R590-91-12.
Premiums	31A-22-806	Premiums and method of premium charge are disclosed in the certificate separately for life and accident and health.
Sample Data	R590-86	The policy and certificate specifications page(s) must be completed with rates and data that is accurate and consistent with the actuarial memorandum and the schedule of rates.
Variability - (bracketed data)	31A-21-201, R590-86, Bulletin 99-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets must be refiled prior to use.
POLICY & CERTIFICATE PROVISIONS		
Application, Enrollment Form	31A-21-201(3)	Application may not contain vague health questions without a time limit. Negative enrollment or negative consent is not allowed.
Autopsy & Physical Exam	31A-22-417	Autopsy and/or physical examination must be at the company's expense.
Benefit Pay Off	31A-22-806(2)(e)	Benefits must be used to pay off or reduce debt.
Benefits in Excess of Pay Off	31A-22-806(2)(f)	Benefits in excess of pay off (gross amount above net pay off) must be paid to a beneficiary other than creditor.
Claims Settlement	U.C.A. § 31A-26-301(1) and R590-191-4	All proceeds and claims settlement provisions must be in compliance with U.C.A. § 31A-26-301(1) and R590-191-4 that establishes the minimum standards for prompt claim handling and requires that the company must act within 15 days of receipt of due proof of the death; and R590-191-5 requires payment of interest if the claim is not settled within 15 days of completion of the investigation.

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Death Benefit	31A-21-201 (3)(a)	The death benefit proceeds must be clearly described.
Delivery	31A-22-806(3)	Certificate must be delivered within 30 days after indebtedness is incurred.
Reservation of Discretion	R590-218	Pursuant to Rule R590-218, the use of reservation of discretion clauses in forms that are not associated with ERISA employee benefit plans, is prohibited. The rule allows reservation of discretion clauses in forms associated with an ERISA plan, but only when the insurance company is designated as the plan administrator and only when the insurance contract is the Summary Plan Description (SPD). The reservation of discretion clause safe harbor language found in the rule, must be contained within brackets [ ] as a variable item in the form. The cover letter or statement of variability must clearly explain the limited use of the reservation of discretion clause.
Entire Contract Provision	31A-22-424	Entire contract provision defines the documents and agreements that constitute the entire contract between the insurer and the policyholder.
Exclusions and Limitations	31A-21-201(3), 31A-22-806(2) & R590-91-6, 7 & 12	Any exclusion, restriction or limitation in coverage must be in compliance with the applicable sections of the rule and must be clearly and prominently disclosed in the policy and certificate. No exclusion for terrorism is allowed.
Expiry Date, Renewal Dates	31A-21-301(1)(f)	Expiration date must be clearly described.
Grace Period	31A-22-513	Grace period entitles the policyholder to at least a 31-day grace period during which the coverage continues in full force.
Incontestability	31A-22-514	Incontestability provision must state that policy is incontestable after it has been in force during the lifetime of the insured for a period of two years. The code does not allow an exception for fraud. The code also does not allow an extension of time for any period that the insured was disabled.
Legal Actions & Limitation of Actions	31A-21-313 & 31A-21-314(3)	An insurance policy may not limit the time for beginning an action to earlier than 60 days after proof of loss has been furnished as required by the policy. An insurance policy may not contain a provision limiting the right of action against an insurer to less than three years from the date the cause of action accrues. The provision cannot prescribe in what court an action may be brought.
Limitation on Amount of Insurance	31A-22-804	The initial amount of credit life insurance may not exceed the total amount repayable on the indebtedness.
Notice of Proposed Insurance	31A-2-806(4) & 31A-22-805	Notice of Proposed Insurance must be in compliance with requirements of 31A-22-806(4). It must identify the insurer, the name of the debtor, premium or amount of payment, separately for credit life insurance and accident and health insurance, and the amount, term, and a brief description of the coverage. The form must state when the coverage is effective.

Proof of Loss	31A-21-312 & Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision may not state that in no event, except in the absence of legal capacity, may proof be filed later than the time required in the policy. Failure to give notice or file proof of loss does not bar recovery under the policy if the insurer fails to show it was prejudiced by the failure.
Refund Procedures and Formulas	31A-22-808 R590-91-8	Each policy, certificate, and statement of insurance must provide that in the event of termination prior to the scheduled maturity date, any refund of an amount paid by the debtor for insurance shall be paid or credited promptly to the person entitled to it. The formulas used in computing the refund must be filed with the commissioner. No refund is required if it would be less than $5. Refund formulas must be appropriate for each type of coverage and must be in compliance with the code and rule.
Suicide Exclusion	R590-91-6B(1)	Suicide exclusion must be limited to one year. The policy and certificate must provide for return of premium.
CREDIT LIFE		
Coverage and Benefit types	R590-91-5, 7 and 12	All benefit types must be identified and clearly described in the policy and certificate, such as gross or net coverage, full term or truncated term.
Pre-existing Exclusion	R590-91-6B (1) & (4)	On insurance written in connection with open-end credit plans where the amount of insurance is based on or limited to the outstanding unpaid balance, no provision excluding or denying a claim for death resulting from a preexisting condition except for those conditions for which the insured debtor received medical diagnosis or treatment within six months preceding the effective date of coverage and which caused or substantially contributed to the death of the insured within six months following the effective date of coverage. Such preexisting condition exclusion shall apply to the initial indebtedness and subsequent advances on an individual basis, ONLY where NO evidence of insurability is required. Advances must be clearly defined.
CREDIT ACCIDENT AND HEALTH		
Definition of Disability	R590-91-7 (6)	Definition may not be more restrictive than during first 12 months the Insured is unable to perform the principal duties of his occupation at the time the disability occurred, and thereafter unable to perform the principal duties of any occupation for which the insured is reasonably fitted by education, training, or experience.
Coverage and Benefit Types	R590-91-5, 7 and 12	All benefit types are identified and clearly described, such as full term coverage or critical period payout.

Exclusions and Restrictions	R590-91-7B (1) & (2)	(a) Preexisting condition: no provision excluding or denying a claim for disability resulting from preexisting conditions except for those conditions for which the insured debtor received medical advice, diagnosis, or treatment within six months preceding the effective date of the coverage and which caused loss within the six months following the effective date of coverage. The policy may not use "contributed to" language. (b) Pregnancy and self-inflicted injury: no other provision that excludes or restricts benefits in the event of disability except for normal pregnancy and intentionally self-inflicted injuries. (c) No exclusions allowed for terrorism.
ACTUARIAL DOCUMENTS		
Detailed Description of Coverages, Premium Charges, Refund Formulas, & Certification of Compliance	31A-22-801(2)(a), 31A-22-807, R590-86, R590-91-5, 6, 7, 10, & Bulletin 99-7	The memorandum must be signed and dated by a qualified actuary who is a member in good standing with the American Academy of Actuaries. The memorandum must include a detailed description of all of the following: a. Types of coverage (gross, net, decreasing, level, single/joint life, full term, truncated, etc.) b. Types of loans (open end, closed end) c. Durations of loans (120 months or less) d. Durations of coverages e. Methods of premium charges (single premium, monthly outstanding balance) f. Rate schedules, methods of calculation and formulas (see below) g. Refund Formulas (see below) h. Reserve Bases and Methods (see below) i. Certification of Compliance with Utah laws and rules All benefits must be reasonable in relation to the premium charged. Include documentation and demonstration of compliance.
RATES		
Rate Schedules, Methods of Calculation, and Formulas	31A-22-807, R590-91, Bulletin 99-7 & Bulletin 2002-02	Every form and/or rate filing must include a complete schedule of rates for each type of coverage, duration, and method of premium charge. Explain the method of premium calculation in detail. If the company does not have a rating schedule on file, then the filing must identify whether the rates are Utah published prima facie rates. If rates are other than Utah prima facie rates, explain how such rates are in compliance in the actuarial memorandum. NOTE #1: Every filing must indicate whether the Company has a rating schedule on file. If so, all rates submitted must be the same as those on file for that type of coverage and premium method. NOTE #2: Pima facie rates for credit accident and health for open-end loans must comply with new section R590-91-7A(7)(a).
Refund Formulas	31A-22-808 & R590-91-8	Refund formulas for all coverages must be disclosed and in compliance.

Reserve Bases and Methods	R590-91-4	Reserve methods must be in compliance.
GENERAL FILING REFERENCES		
File and Use, Prohibit Use of Form	31A-21-201, 31A-22-807 & R590-91-4	Utah is a "FILE AND USE" state for forms. The commissioner may prohibit the use of a form at any time upon a finding that it is, among other things, inequitable; unfairly discriminatory; misleading; deceptive, obscure; unfair, encourages misrepresentation; is not in the public interest; or it violates a statute or a rule adopted by the commissioner. It is grounds to prohibit the use of a form if the benefits provided are not reasonable in relation to the premium charge.
Frequent problems in filings	Bulletin 96-8	See Bulletin when preparing a form for filing.
Procedures for Submission of Forms and Rates	R590-86, R590-91 & Bulletin 99-7	See Rule and Bulletin when preparing a form for filing.
Accurate & Complete Information	**31A-2-202(6)**	**The filing must include the signed and dated certification of compliance in the Transmittal Form. The company must certify that nothing in the filing has been disapproved or prohibited from use in a prior filing.**